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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/628,208

07/29/2003

William Ortner

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EXAMINER

BORLINGHAUS, JASON M

ART UNIT

PAPER NUMBER

3693

MAIL DATE

DELIVERY MODE

04/04/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/628,208	Applicant(s) ORTNER ET AL.	
	Examiner JASON M. BORLINGHAUS	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 13 December 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-8 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-8 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Election/Restrictions

Applicant's election without traverse of Claims 1 - 8 in the reply filed on 12/31/2007 is acknowledged.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 3 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 3 states "the trust retaining the sufficient funds by purchasing securities that appeal to holders of the issued mandatorily convertible securities." Claim language is rendered indefinite by reference to an object that is variable. *See MPEP § 2173.05(b)*.

Claim language fails to indicate what constitutes "securities that appeal" to others. As said "securities that appeal" to the holder could be any security, as the "appeal" is totally subjective, said claim limitation fails to establish any limitations upon the "securities."

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

Art Unit: 3693

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148

USPQ 459 (1966), that are applied for establishing a background for determining

obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1 – 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Aberman (US PG Pub. 2003/0225656) in view of Bodie (Bodie, ZVi; Kane, Alex; Marcus, Alan J. Investments. 4th Edition. Irwin McGraw-Hill. 1999. pp. 72 – 81, 102 – 106, 181 – 186, 611 – 614, 626 – 638, 858 – 859).

Aberman discloses a method for offering a structured financial product, comprising:

- establishing an independent trust (real estate investment trust - REIT).
(see abstract);
- the trust (REIT) issuing mandatorily convertible securities (preferred stock with a forward purchase contract obligation) with associated cash distributions (dividends). (see abstract; para. 9; para. 32);
- the trust receiving first proceeds (cash) from the issuance of the mandatorily convertible securities (preferred stock). (see para. 27);

- the trust retaining sufficient funds (at least 90%) to pay out the associated cash distribution (dividend). (see para. 9);
- wherein the trust is a grantor trust. (see abstract).

Aberman does not teach that the trust purchases shares of common stock with the first proceeds; the trust issuing a call spread portfolio on the purchased shares of common stock; the trust receiving second proceeds from the issuance of the call spread portfolio; the trust retaining the sufficient funds by purchasing governmental treasury securities with the second proceeds; purchasing from a first entity the shares of common stock of a second entity; wherein the call spread portfolio is issued by the trust to the first entity, and the second proceeds are received by the trust from the first entity; and wherein the trust is registrable as a closed-end investment entity under the U.S. Investment Company Act of 1940

Bodie discloses a method in which investors purchase shares of common stock with the first proceeds (covered calls). (see pp. 626 - 627); investors issuing a call spread portfolio (bull call spread) on the purchased share of common stock (see pp. 628 – 632; 858 - 859); the investor receiving the proceeds from the issuance of the call spread (bull call spread) portfolio. (see pp. 628 – 632; 858 - 859); investors retaining the sufficient funds (via risk-free investment) by purchasing governmental treasury securities with the second proceeds. (see pp. 181 – 186); purchasing from a first entity (broker) the shares of common stock of a second entity (company). (see pp. 72 – 81); wherein the call spread portfolio is issued by the investor to the first entity (buyer), and the second proceeds are received by the trust from the first entity (seller). (see pp. 611

– 614); and wherein the trust is registrable as a closed-end investment entity under the U.S. Investment Company Act of 1940. (see pp. 102 – 106).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Aberman to allow a trust, acting as an investor, to manage its funds in such a manner as to preserve or grow invested capital, as disclosed by Bodie, allowing for the trust to achieve financial success.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JASON M. BORLINGHAUS whose telephone number is (571)272-6924. The examiner can normally be reached on 8:30am-5:00pm M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/
Supervisory Patent Examiner, Art Unit 3693

/Jason M Borlinghaus/
Examiner, Art Unit 3693

March 30, 2008